



J. TYLER McCAULEY  
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-2766  
PHONE: (213) 974-8301 FAX: (213) 626-5427

October 27, 2005

TO: Supervisor Gloria Molina, Chair  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley   
Auditor-Controller

SUBJECT: **MEXICAN AMERICAN OPPORTUNITY FOUNDATION CONTRACT  
REVIEW – CALWORKS STAGE 1 CHILD CARE SERVICES**

We have completed a contract compliance review of Mexican American Opportunity Foundation (MAOF or Agency), a CalWORKs Stage 1 Child care service contractor. The review was conducted by the Auditor-Controller's Countywide Contract Monitoring Division.

**Background**

The Department of Public Social Services (DPSS) contracts with MAOF, a private, non-profit, community-based organization that assists parents with child care services. The Agency's services include determining participants' presumptive eligibility, explaining participants' child care options and program rights, providing consumer education information, child care referrals upon request, and paying the daycare service providers. The Agency is located in the First District.

DPSS pays MAOF a negotiated rate of approximately \$125 per case per month. DPSS also pays MAOF a fixed monthly fee of approximately \$13,000 per month to fund three staff located at DPSS offices and approximately \$13,000 annually for outreach services. For Fiscal Year 2004-2005, DPSS paid the Agency approximately \$2 million.

*"To Enrich Lives Through Effective and Caring Service"*

### **Purpose/Methodology**

The purpose of the review was to determine whether MAOF provided the services outlined in their Program Statement and County contract. We also evaluated Agency's ability to achieve planned service and staffing levels. Our monitoring visit included a review of Agency's billing statements, participant case files, provider files, provider payment requests, time records, and personnel files. In addition, we interviewed the Agency's staff, program participants and service providers.

### **Results of Review**

MAOF provided services required by the County contract using the appropriate number of staff. The program participants stated that the services they received from MAOF generally met their expectations. In addition, MAOF staff possessed the qualifications required by the County contract.

MAOF also provided childcare referrals to the participants within the timeframe required by the County contract. For 99 (99%) of the 100 cases reviewed, the Agency provided enhanced referrals to eligible participant and authorized the services timely. In one instance MAOF billed DPSS \$125 for child care services provided to an individual not eligible for program services. MAOF stated that the over billing was an error and would repay DPSS the \$125.

The details of our review, along with recommendations for corrective action, are attached.

### **Review of Report**

On September 22, 2005, we discussed our report with MAOF management who agreed with the finding. In their attached response, MAOF management indicates that they reduced their June 2005 invoice to repay DPSS the amount over billed. We also notified DPSS of the results of our review.

We thank MAOF for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer  
Bryce Yokomizo, Director, Department of Public Social Services  
Martin Castro, President and Chief Executive Officer, Mexican American Opportunity Foundation  
Public Information Office  
Audit Committee

**COUNTYWIDE CONTRACT MONITORING DIVISION  
CalWORKs STAGE 1 CHILD CARE PROGRAM  
FISCAL YEAR 2004-2005  
MEXICAN AMERICAN OPPORTUNITY FOUNDATION**

**BILLED SERVICES/CLIENT VERIFICATION**

**Objective**

Determine whether Mexican American Opportunity Foundation (MAOF or Agency) provided the services billed in accordance with their contract and the program participants actually received those services.

**Verification**

We reviewed 100 program participant cases assigned to MAOF during January and February 2005 to verify that the program participants were eligible to receive child care services. We also interviewed 54 program participants and 66 daycare providers to ensure that the participants and the providers received the child care services. Our sample represented \$24,916 (9%) of \$273,453 that MAOF billed the Department of Public Social Services (DPSS) for the review period.

**Results**

The participants interviewed stated that the services generally met their expectations and that MAOF explained participant's child care options, program rights and provided consumer education information. The 66 services providers interviewed also stated that MAOF authorized and paid for child care services.

In addition, MAOF provided childcare referrals to the participants within the timeframe required by the County contract. For 99 (99%) of the 100 cases reviewed, the Agency provided enhanced referrals to eligible participants and authorized the services timely. However, in one instance MAOF billed DPSS \$125 for child care services provided to an individual not eligible for program services. MAOF stated that the over billing was in error and would repay DPSS the \$125.

**Recommendation**

- 1. MAOF management repay DPSS \$125.**

**STAFFING/CASELOAD LEVELS****Objective**

Determine whether Agency's actual service and staffing met the staffing levels required by the County contract.

**Verification**

We interviewed 10 of MAOF staff and reviewed MAOF employee roster. In addition, we reviewed invoices for January and February 2005 and compared them to the Agency's proposed service levels for the same period.

**Results**

MAOF reported service levels for the period averaged 1,098 participant cases per month. This represents a decrease of 21% from the budgeted participant service levels of 1,381 participant cases per month. The decrease is due to a reduction in the number of cases referred to the Agency by DPSS. The Agency's actual staffing levels of 29 Full Time Equivalent (FTE) staff were 15% below the planned staffing levels of 34 FTE staff. The Agency indicated that the staffing levels are monitored to be consistent with the changes in the service levels.

**Recommendation**

**There are no recommendations for this section.**

**STAFFING QUALIFICATIONS****Objective**

Determine whether MAOF staff possessed the qualifications required by the contract.

**Verification**

We reviewed the personnel files for 10 of the 36 staff for documentation to confirm staff qualifications.

**Results**

Each staff sampled possessed the required employment eligibility verification, training, reading, writing and language requirements identified in the contract.

**Recommendation**

**There are no recommendations for this section.**



September 30, 2005

J. Tyler McCauley  
Los Angeles County Auditor-Controller  
500 W Temple, Room 525  
Los Angeles, CA 90012

Dear Mr. McCauley:

**Contract Review Response**

We have reviewed the report issued by your Department and are in general agreement with the findings and recommendations. We have implemented the recommendations made in the report and have rectified the over billing to the Department of Public Social Services. We adjusted our Monthly Invoice in June 2005 and deducted the over billed amount of \$125.00.

Please call me if you have any questions at (323) 278-3687.

Sincerely,

Vicky Santos  
Director of Operations-Child Care Programs, MAOF